

# **CITY OF LINCOLN COUNCIL ADOPTED BUDGET FISCAL YEAR 2003-2004 BUDGET SUMMARY**

This summary addresses revenue estimates for all tax funds, expenditure information for all tax funds, and significant changes for each department from the previous year's budget for all funds.

All tax funds identifies the following:

- General Fund
- Library Fund
- Social Security Fund
- Police and Fire Pension Fund
- Unemployment Compensation Fund
- Bond Interest and Redemption Fund

The funds listed above are in this classification because each receives property taxes as a source of its revenue. However, they are not limited exclusively to property tax revenues. The term property tax revenue refers to the amount of revenue from property taxes that will be required to operate during the next fiscal year. The property tax rate refers to the rate that is levied upon property in order to raise the budgeted property tax revenue. The City Charter requires that a 10% surplus be added to the property tax revenue when the tax rate is determined. This is done by appropriating only 90% of the property tax revenues that the levy rate will generate.

In addition to the tax funds referred to above, the following funds, referred to as tax subsidized funds in this summary, receive a portion of their funding via transfers from the General Fund. These are:

- Health Fund
- 911 Communications Fund
- Animal Control Fund
- Building and Safety Fund
- Lincoln Area Agency on Aging Fund
- StarTran Fund
- Workforce Investment Act Fund

Interfund transfers are included in the Miscellaneous Budgets section of this book. There are also many funds contained in the operating budget that do not receive tax revenue. The Summary of Staffing and Operating Expenditures By Fund and Department on pages 22 and 23 of this section of the Budget provides a complete summary of all funds included in the operating budget.

## **BUDGET OVERVIEW**

The 2003-2004 budget process began in December of 2002 with the presentation of the Five Year Budget Forecast to the City Council. The forecast presented in December reflected the improving sales tax outlook being seen at that time and smaller rates of increases expected in personnel costs. Two meetings were held with the Council to discuss the forecast and identify administration and City Council priorities for the 2003-2004 budget.

The 2003-2004 Budget for the tax funds complies with the State imposed lid passed by the 1998 Legislature in LB 989. Key provisions of the lid include:

- Appropriations from various revenue sources (property taxes, motor vehicle taxes, sales tax, in-lieu of tax, state aid, highway allocation fees) are limited to the greater of a 2.5% increase or the percentage increase in the tax base provided by real growth and annexations. The percentage increase provided by real growth and annexations is 4.51% and is the amount under the lid that restricted funds are allowed to increase in addition to other lid exceptions.
- Capital improvements and debt service payments on voter approved bond issues are exempt from the lid.
- Costs associated with inter-local agreements are exempt from the lid. The City again excludes several long-standing inter-local agreements from the lid limitation.
- An additional 1% (about \$675,000) of authorization under the lid limit can be approved by a 75% vote of the City Council. The Budget does not utilize the extra 1% allowed.

As a result of the 2003-2004 Budget and previous budgets, the City has \$16,015,825 of unused lid authority after adoption of the 2003-2004 Budget.

The net change in full time equivalents (fte's) for all funds is an increase of 42.5. A more thorough explanation of changes in staffing is included in the PERSONNEL CHANGES ALL FUNDS section of this summary. Further detail is included in the SIGNIFICANT BUDGET CHANGES BY DEPARTMENT and SUMMARY OF STAFFING AND OPERATING EXPENDITURES BY FUND AND DEPARTMENT.

The 2003-2004 budget for all funds incorporates the following program changes and new initiatives:

**Significant Program Changes:**

- Implementation of three morning and three afternoon hours of operation of the Arnold Heights Route Deviation Service serving the Arnold Heights/Highlands neighborhoods, North Star High School and surrounding areas - \$45,000.
- An additional \$388,000 from the General Fund for sidewalk maintenance and repair is added to the budget bringing the total for 2003-2004 to \$638,000 including \$250,000 from Street Construction funding. In addition, \$362,000 of unused Snow Removal funds are transferred to the 2003-2004 sidewalk maintenance and repair program making \$1,000,000 available for the program during 2003-2004.
- An additional \$250,000 is budgeted for the City contribution to the Police and Fire Pension fund, bringing the annual contribution to about \$1.9 million and getting the contribution closer to the actuarially determined normal cost of \$3.1 million annually.
- Additional recreation program with more Day Camps, an additional senior aerobics class and extended Indoor Playground hours,
- One (1.0) FTE Life Counselor is added back to the Aging Division budget that had been cut in the 2002-2003 budget, however \$59,000 was reduced from in-home contractual services to provide funding to restore this position.
- A one (1.0) FTE Associate Engineering Specialist is added for increased efforts in all aspects of traffic signal work.
- Twelve (12) FTE Police Officers and five (5) Emergency Service Dispatchers are added. These additions are included as recommendations of the Hometown Security committee.
- Impact Fee subsidies for low and moderate income persons are included - \$210,000.
- Three (3.0) FTE's are added in the Water Division to provide services related to the growth of the City.
- The Parks and Recreation Department will be maintaining new parks, parks facilities and trails. These include the Northeast Community Park, Schleich Park, Woods tennis landscape maintenance, McAdams Park, Peter Pan Soccer Field, Phares Park, 84<sup>th</sup> Street Trail from Van Dorn to Old Cheney, Highway 2/Old Cheney Trail and 70<sup>th</sup> Street Connector, Yankee Hill Road Trail from 27<sup>th</sup> to 40<sup>th</sup> St., 98<sup>th</sup> and Old Cheney mini-park, Jamaica North Trail, and the Rock Island Trail from Old Cheney to Pine Lake Road.
- \$70,000 of City Council member's discretionary funds were eliminated from the City Council budget and were transferred to the 911 Communications Fund to purchase Police and Fire radios.
- Additional funding of \$20,000 for more durable street markings is included.
- Funding for the Antelope Valley project is more precisely identified and increased in the Capital Improvement Program (CIP). About \$1.8 million of General Fund support for Antelope Valley is included in the CIP of which about \$1.1 million is for one time property purchases.
- Funding for interest and principal payments (\$719,800) for the 2003 Storm Sewer bond issue passed by voters in the May 2003 election is included.

Changes in revenues included in the 2003-2004 Budget affecting the tax and tax subsidized funds are highlighted below. Notable changes for 2003-2004 include an expansion of the Sales Tax base passed by the 2003 Nebraska Legislature but largely offset by reductions of revenues from In-Lieu of Repealed Taxes (commonly referred to as State Aid) and Municipal Equalization Rollover payments from the State.

Other revenue changes involve fees charged for City services. Without periodic increases in fees, inflationary cost increases would need to be covered by additional tax revenue or the levels of service provided would need to be reduced. The adequacy of fees charged for City services are examined each year and some fee increases are included in each annual budget.

<b><u>Significant Changes to Fees and Other Revenue Sources – Tax Supported and Tax Subsidized Budget</u></b>	
<b><u>Description</u></b>	<b><u>2003-2004 Impact</u></b>
• Expansion of the Sales Tax base as passed by the 2003 Nebraska Legislature to include certain services not previously taxed. City collections start in December 2003.	+\$1,200,000
• Reduction in In-Lieu of Repealed Taxes (commonly called State Aid (-\$760,000) and elimination of Municipal Equalization Rollover payments (-\$140,000)	-\$900,000
• Cancellation of a contractual agreement by Lincoln Public Schools to pay for school resource officers in middle and high schools (-\$326,124) and cancellation of an informal arrangement to pay for partial costs of school resource officers for elementary schools (-\$55,000)	-\$381,124
• Increase of various Planning fees being increased for the first time in four years.	+\$40,000
• Increase in Parks and Recreation fees including Day Camps (\$60 to \$65 per week), an increase in Nature Center preschool program (\$5 per registrant), and lowering the age to charge swimming pool admission from four to three years of age.	+\$33,526
• New revenue from expanded recreation programs and offering of programs at new locations.	+\$144,980
• Increase of 911 Surcharge on phone lines from \$.50 to \$.75 per month effective January 1, 2004. Revenue is used in the Operating budget and in the Capital Improvement budget.	+\$231,550
<b>Total Revenue Impact to the Tax Funded Budget</b>	<b>\$368,932</b>

### **Utility Fee Changes**

In addition to the revenue changes in the table above, a 3% Water rate increase and a 7% Wastewater rate increase were proposed in the Mayor's Recommended Budget and adopted by the City Council.

### **Infrastructure Financing – Capital Improvement Program/Streets and Highways**

As part of the Mayor's Recommended Budget to support the Capital Improvement Program, an increase in the Wheel Tax of \$5 each on cars in 2004, 2007, and 2010 was proposed. Other types of vehicles would have corresponding percentage increases. The changes were adopted by the City Council. Included in the Mayor's Recommended Budget was a new occupation tax on the retail sale of fuel that was proposed to be 5 cents per gallon. A general obligation bond issue of greater than \$100 million was also proposed to be placed on the ballot for voter

approval. The occupation tax on the retail sales of fuel was not passed by the City Council. The Council also voted to not put before the voters the general obligation bond issue.

Other changes in amounts of revenue projected to be collected are highlighted in the REVENUE PROJECTIONS - TAX FUNDS section of this Budget Summary.

## **SIGNIFICANT EXPENDITURE CHANGES**

### **TAX FUNDS**

<b>NET CHANGE IN EXPENDITURES 2002-2003 TO 2003-2004</b>	<b>+\$7,902,122</b>
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The change in tax fund expenditures is a 7.0% increase over the 2002-2003 budget.

<b>1. OPERATING EXPENDITURE CHANGES 2002-2003 TO 2003-2004 (Excludes Capital Improvements and Debt Service)</b>	<b>+\$5,920,773</b>
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The net increase in the operating portion of the Tax Funds Budget is comprised of increases in Personnel +\$4,811,779, Supplies +\$26,804, Other Services and Charges +\$301,611, Transfers +\$713,956, and Equipment +\$66,623.

<b>2. CHANGES IN CAPITAL IMPROVEMENTS 2002-2003 to 2003-2004</b>	<b>+\$3,021,700</b>
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The Capital Improvement Program (C.I.P.) includes \$3,124,300 of General Fund support compared to \$102,600 in the 2002-2003 budget. The amount for 2003-2004 includes \$1,882,800 for costs related to the Antelope Valley project. Of this amount \$1,087,000 is for the purchase of properties in the project area.

<b>3. DEBT SERVICE PAYMENT CHANGES 2002-2003 to 2003-2004</b>	<b>-\$1,040,351</b>
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A Storm Sewer bond issue was approved by the voters during the spring of 2003 and \$719,800 for debt service is included in the Budget. In addition the outstanding balances of four older bond issues were refinanced at lower interest rates. The Downtown Redevelopment bonds are now retired, saving about \$1.3 million annually in debt service.

### **TAX FUNDS CHANGES BY LINE ITEM**

Some of the significant line item changes in the 2003-2004 Budget from the 2002-2003 Budget are summarized below.

	<b><u>Tax Funds Only</u></b>
<b><u>PERSONNEL</u></b>	
Changes in salary and other personnel costs (excl. Health Ins.)	+\$3,921,671
Health Insurance	+\$890,108
Police and Fire Pension – City contribution	+\$250,000
<b><u>SERVICES &amp; CHARGES</u></b>	
Consultant Services	-\$119,152
Miscellaneous Contractual Services	-\$166,981
Moving Expenses	-\$49,960
Corrections	-\$59,375
Electricity – Street Lights	+\$167,300
City Share Lincoln Center Maintenance	+\$39,828
Other Building Maintenance	+\$70,856
Sidewalk Repair and Maintenance	+\$388,000
(An additional \$250,000 is budgeted in Street Construction plus an additional \$362,000 is transferred from Snow Removal)	
Rent of Buildings and Lots	+\$149,790

Rent of Machinery and Equipment	+ \$106,922
Parking Rent Building Commission	+ \$82,532
Election Expense	- \$170,000
Impact Fee Subsidy	+ \$210,000

**TRANSFERS**

City Share of StarTran	+ \$155,938
City Share of 911 Communications	+ \$274,968

**PERSONNEL CHANGES - ALL FUNDS**

The 2003-2004 Budget results in the changes in staffing noted below. The changes outlined are the more significant changes which take place although there are many other changes as a result of job audits and other routine personnel actions which can change job titles and pay ranges. Twelve (12) positions were added mid-year during the 2002-2003 budget year to address specific needs that arose during the year but will be showing in the 2003-2004 budget for the first time. These positions are shown in a separate category below. For more information on staffing by department, please see the BUDGET CHANGES BY DEPARTMENT section.

**POSITIONS ADDED DURING THE 2002-2003 FISCAL YEAR SHOWING FOR THE  
FIRST TIME IN THE 2003-2004 BUDGET  
ALL FUNDS  
(In Full Time Equivalents – FTE's)**

<b><u>FTE's/ Dept./Organization/Program</u></b>	<b><u>Estimated City Personnel Cost</u></b>	<b><u>Estimated New City Tax Dollars</u></b>
<b><u>Building and Safety Department</u></b>		
1.0 HVAC Inspector (Timeliness of inspections)	\$46,400	\$0
<b><u>Health Department (Nuisance Program)</u></b>		
1.0 Environmental Health/Env. Health Spec. II	\$70,500	\$0
.5 Environmental Health/Senior Office Assistant (Restoration of Nuisance program funded by Landfill Occupation Tax)	\$22,700	\$0
<b><u>Planning</u></b>		
1.0 Planner I (Transportation Planning- Federal/State funds) (Implementation of components of the Comprehensive Plan)	\$54,500	\$0
<b><u>Finance</u></b>		
1.0 Purchasing/Assistant Purchasing Agent (Handle RFP's for increased number of Public Works and Utilities projects)	\$49,200	\$0
<b><u>Public Works and Utilities</u></b>		
1.0 Traffic Engineering/Assoc. Eng. Specialist (Traffic and traffic signal work)	\$41,000	\$41,000
1.0 Business Office/Asst. PW & U Business Manager (Administration of Impact Fees)	\$53,000	\$0

**Fire and Rescue**

1.0	Transport Division/Account Clerk II (HIPAA related clerical work)	\$30,300	\$0
3.0	Urban Search and Rescue/Day Captain	\$220,000	\$0
.5	Urban Search and Rescue/Para-Prof Tech. Worker	\$13,500	\$0
<u>1.0</u>	<u>Urban Search and Rescue/Senior Office Assistant</u>	<u>\$35,500</u>	<u>\$0</u>
12.0		\$636,600	\$41,000

**NEW POSITIONS ADDED IN THE 2003-2004 BUDGET  
ALL FUNDS  
(In Full Time Equivalents – FTE's)**

**Finance**

5.0	911 Communications/Emergency Service Dispatchers (Open new dispatch position using a portion of the revenue generated from the proposed increase in the 911 Surcharge)	\$195,735	\$0
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**Police**

12.0	Police Officers	\$524,174	\$275,000
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**Parks and Recreation**

1.0	Administration/Administrative Aide I (Grants Administration)	\$46,000	\$46,000
.4	Centers/Assistant Center Supervisor (Recreation programming)	\$16,000	\$16,000
5.8	Unclassified Positions (Recreation programming, parks and trail maintenance)	\$86,000	\$86,000

**Mayor's Department**

1.0	Aging/Aging Specialist III – Life Counselor (Reduce service wait, funded from a reduction in contractual service dollars)	\$62,300	\$3,000
1.0	Aging/Systems Specialist II (Provide computer services previously contracted)	\$49,400	\$15,700
.3	CIC/Paraprofessional Technical Worker (Fee based production work)	\$5,500	\$0
.3	CIC/Graphic Designer II (Web support backup)	\$9,300	\$4,800

**Urban Development**

1.0	Right Of Way Technician	\$37,586	\$0
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**Public Works and Utilities**

1.0	Bus Operator (Arnold Height/Highlands/North Star High bus route)	\$42,500	\$37,500
1.0	Engineering Services/Para Professional Tech. Worker	\$25,000	\$0
1.5	Landfill/Landfill Operator I (Reduces overtime and contractual services – Supervision of contractual litter and weed crews, waste appliance, scrap metal, waste oil collection)	\$5,844	\$0
1.0	Business Office/Accountant (Replaces Accountant cut from 2002-03 budget)	\$45,379	\$0
1.0	Water/Water Plant Operator	\$33,500	\$0
1.0	Water/Utility Equipment Operator	\$39,000	\$0

<u>1.0</u>	Water/Senior Utility Engineering Specialist	<u>\$55,500</u>	<u>\$0</u>
35.3	Positions added new in 2003-04	\$1,278,718	\$484,000
12.0	Positions added during 2002-03	\$636,600	\$41,000
	Positions eliminated (grant funding eliminated and vacant positions in		
<u>(4.0)</u>	Wastewater)	<u>(\$130,000)</u>	<u>\$0</u>
42.5	<b>Net Change in FTE's</b>	<b>\$1,785,318</b>	<b>\$525,000</b>

## REVENUE PROJECTIONS TAX FUNDS

Following is a schedule of revenue sources used by tax and tax subsidized funds. Further details on the various revenue sources and significant changes from the prior year follow the schedule. Revenue projections were based on a combination of historical trends, changes identified by City departments collecting the revenues, and program changes included in this budget.

### TAX FUNDS REVENUE

	<u>2002-2003 Council Adopted</u>	<u>2003-2004 Council Adopted</u>	<u>% Change</u>
Property Taxes-Debt Service	\$5,438,516	\$4,977,043	-8.5%
Property Taxes-Operations	\$26,068,617	\$28,317,657	+8.6%
Sales Tax	\$47,612,196	\$51,996,216	+9.2%
Occupation Tax	\$8,708,690	\$9,651,923	+10.8%
In-Lieu Of Tax (State)	\$2,375,646	\$1,492,081	-37.2%
Motor Vehicle Tax	\$3,878,000	\$3,864,915	-.3%
Permits and Fees	\$2,809,440	\$2,880,695	+2.5%
In-Lieu Of Tax (LES)	\$1,200,000	\$1,248,000	+4.0%
Intergovernmental	\$1,769,166	\$1,555,933	-13.7%
Reimbursement. for Services	\$1,725,177	\$2,104,144	+22.0%
Recreation Receipts	\$1,697,782	\$1,882,956	+10.9%
Parking Meter Revenue	\$835,000	\$835,000	0.0%
County Library Tax	\$586,372	\$609,680	4.0%
Earned Interest	\$469,579	\$418,400	-10.9%
Interest Property Tax	\$108,000	\$113,000	+4.6%
Rent	\$348,812	\$346,667	-.6%
Administrative Fees	\$803,500	\$888,500	+10.6%
Sundry Taxes	\$43,272	\$47,585	+10.0%
Miscellaneous	\$463,239	\$336,247	-27.4%
Revenue Before Balances	<u>\$106,941,004</u>	<u>\$113,566,642</u>	<u>+6.2%</u>
Appropriated Balances	<u>\$6,111,631</u>	<u>\$7,388,115</u>	<u>+20.9%</u>
Total Revenue	\$113,052,635	\$120,954,757	+7.0%

<b>SIGNIFICANT NET CHANGES IN REVENUE AND BALANCES</b>	
<b>2002-2003 TO 2003-2004</b>	<b>\$7,902,122</b>
Property Tax (Operating)	+2,249,040
Property Tax (Debt Service)	-\$461,473
In Lieu of Tax (State Aid) plus Municipal Equalization	-\$883,565
Sales Tax	+\$4,384,020
Recreation Fees	+\$185,174
Occupation Taxes	+\$943,233
Intergovernmental	-\$213,233
Earned Interest	-\$51,179
Reimbursement for Services	+378,967
Administrative Fees	+\$85,000
Balances	+\$1,276,484
All Other Tax Fund Revenues (net)	+\$9,654

### **PROPERTY TAX**

The County Assessor's office has completed a countywide revaluation of real property for the 2003-2004 fiscal year. This process has resulted in significant increases in valuations of real property for the 2003-2004 fiscal year.

Property Tax revenue required to fund the 2003-2004 Budget increases \$1,787,567 or 5.67%, over that required for the 2002-2003 Budget. The value created by new growth (improvements, new construction, additions of new property to the tax base and annexations) in the tax base is \$501,933,182 or 4.51% over the current tax base. Total growth in the tax base (which also includes the revaluations of current property, annexations, and downward changes in personal property and centrally assessed property) is 14.50%. As a result of the percentage increase in property tax revenue in the budget being less than the percentage increase in the tax base, the tax rate is decreased from .31452 to .29028 - a decrease of 7.7%.

The following table illustrates the impact of the 2003-2004 Budget on the property tax rate and property tax revenue taken. City voters approved a Storm Sewer bond issue in the May 2003 election and the corresponding tax levy to make principal and interest payments. The effect of this bond issue is shown separately in the example below. With the new property tax revenue attributable to the Storm Sewer bond issue and new property tax revenue provided by real growth in the tax base, \$2,140,771 of new property tax revenue could be generated without taking a windfall of revenue from the revaluation of existing property. The Budget uses \$1,787,567 of that revenue and does not take a property tax revenue windfall from the revaluation of existing property.



<b>Property Tax Revenue and Rate Changes</b>				
	<b>Adopted 2002-03</b>	<b>Council Adopted 2003-04</b>	<b>Change</b>	<b>% Change</b>
Tax Rate per \$100 – City Services)	.31452	.29028	-.02424	-7.71%
Revenue impact of voter approved 2003 Storm Sewer Bond Issue included in Mayor's Budget	\$0	\$719,800	\$719,800	2.28%
Revenue provided by growth in real property - +4.51% (excludes revaluations)		\$1,420,971	\$1,420,971	4.51%
Additional Property Tax Revenue available from voter approved bond issue and growth		\$2,140,771	\$2,140,771	6.79%
Property Tax Revenue In the Budget	\$31,507,133	\$33,294,700	\$1,787,567	5.67%

### **SALES TAX**

Sales tax collections during the 2002-2003 fiscal year were positively impacted by an improving local economy, a modest expansion of the sales tax base approved by the Nebraska legislature in 2002, and reduced refunds under the business incentive provisions of LB 775. Actual collections were \$1,045,071, or 2.2% above projected collections. Legislation passed by the Nebraska Legislature in the 2003 regular session further expands the sales tax base to include more services. This expansion of the sales tax base is anticipated to bring in \$1,200,000 more than the old sales tax base would have generated beginning with collections in December of 2003. This is due to the tax being implemented in October with a two month lag for the City to receive it. The revenue from the expanded sales tax base is included in the 2003-2004 estimates. Lincoln's budgeted collections for 2003-2004 reflect a 6.9% increase over actual collections for 2002-2003 and a 9.2% increase over budgeted revenue for 2002-2003. Without the \$1,200,000 expansion of the sales tax base, budgeted sales tax revenue for 2003-2004 would be a 4.4% increase over actual collections for 2002-2003 and a 6.7% increase over budgeted collections for 2002-2003.

### **SALES TAX**

	<b>2002-2003 Projected Collections</b>	<b>2002-2003 Actual Collections</b>	<b>2001-2002 Refunds</b>	<b>2002-2003 Refunds</b>	<b>2003-2004 Projected Collections</b>
September	\$3,805,227	\$4,191,407	(\$646,545)	(\$48,531)	\$4,045,412
October	\$3,964,952	\$4,399,587	(\$379,290)	(\$64,605)	\$4,327,751
November	\$4,016,628	\$4,273,655	(\$132,336)	(\$134,088)	\$4,403,071
December	\$3,800,516	\$3,857,499	(\$240,014)	(\$177,459)	\$4,179,399
January	\$4,040,104	\$3,740,166	(\$74,082)	(\$306,467)	\$4,326,398
February	\$4,932,688	\$5,163,582	(\$509,277)	(\$61,404)	\$5,305,386
March	\$3,593,812	\$4,059,342	(\$428,507)	(\$17,601)	\$4,002,033
April	\$3,415,295	\$3,429,942	(\$333,878)	(\$281,861)	\$3,795,192
May	\$4,044,802	\$3,908,947	(\$176,292)	(\$275,081)	\$4,405,046
June	\$3,842,796	\$4,030,637	(\$127,168)	(\$138,914)	\$4,274,616
July	\$3,964,939	\$3,542,215	(\$181,863)	(\$563,339)	\$4,324,380
August	\$4,190,437	\$4,060,288	(\$63,949)	(\$341,868)	\$4,607,532
Total	\$47,612,196	\$48,657,267	(\$3,293,201)	(\$2,411,218)	\$51,996,216

Other revenue sources showing notable changes for next year are highlighted below.

### **OCCUPATION TAX**

This category increases \$943,233 (+10.8%) because of increases in amounts collected from the Telecommunications occupation tax, much of the growth being due to cell phone revenue. Additional occupation tax revenue is also budgeted as a result of an audit of the City's cable television franchise holder indicating payment for back taxes is due the City.

### **IN LIEU OF TAX – STATE**

This category decreases \$883,565 (-37.2%) due to the State of Nebraska reducing In-Lieu of Tax (commonly referred to as State Aid) payments by the 10% proposed in the Governor's budget plus another -\$520,000 adopted by the legislature. In addition, the Legislature eliminated payments from the Municipal Equalization Rollover fund (-\$140,000) coming to the City in order to keep the revenue for the State.

### **REIMBURSEMENT FOR SERVICES**

This category increases \$378,967 (+22.0%) due to reimbursements to the General Fund from other City funds based on recent history of actual receipts.

### **INTERGOVERNMENTAL REVENUE**

Intergovernmental Revenue declines \$213,333 (-12.0%). Lincoln Public Schools (LPS) has terminated the school resource officer program. LPS would have paid the City \$381,124 for services provided in 2003-04 under the previous agreements. In addition, grant revenues for Police Officers added in prior years are reduced \$143,751 due to the expiration of the three year grant period. \$310,000 of additional grant revenue is included for the twelve (12) officers being added in this budget.

### **RECREATION RECEIPTS**

This source of revenue increases \$185,174 (+10.9%) because of routine increases in fees for various programs and expanded recreation services, some of which are at new sites.

### **ADMINISTRATIVE FEES**

This category increases \$85,000 (+10.6%) primarily because of a refinement of estimates from having a full year of experience with actual collections from increases in non-moving traffic violations passed in 2001.

**EARNED INTEREST**

In spite of healthy fund balances, interest revenue is projected to decrease \$51,179 (-10.9%) due to forty year lows in interest rates.